MR. T. T. KESAVAN SASTRI : ചെലവുകഴിച്ചു ലാഭം എന്തുലാഭം ഉണ്ടെന്നുള്ള വിവരം പറയാമോ?

MR. G. NARAYANAN TAMPI . അതാണു "നെറ്റ് ഇൻകം" എന്നു പറഞ്ഞിരിക്കുന്നത്.

MR. T. T. KESAVAN SASTRI : ഈ ഡിപ്പാർട്ടുമെൻറിന്റെ മൈനർ ദിനമുള്ള വളർച്ചയിൽ ഈ പ്രസ്ഥാനത്തെ അനുകൂലിക്കുന്ന അധികാരികൾക്കു സന്തോഷമുണ്ടെന്നുള്ള വിവരം ഗവണ്മെൻറിനറിയാമോ?

MR. G. NARAYANAN TAMPI : അറിയാം.

MR. KUNJU PANICKER : May I know whether, in arriving at the figure given in the answer, the commission due to the Transport Superintendent has also been taken into account?

MR. G. NARAYANAN TAMPI : No, Sir.

State Transport.

421. *MR. K. G. GOVINDAN (*Pattanamtitta*) : Will the Government be pleased to state :

(*a*) whether, under the Covenant, the Superintendent of State Transport is entitled to get a definite percentage of the net profits of the working of the State Transport ;

(*b*) if so, what that percentage is ;

(*c*) what amount has been paid to him till the 15th of Mithunam 1114 under the above item ; and

(*d*) whether the net profit is calculated with due regard to the depreciation of the vehicles, ground-rent of the garages, exemption from payment of P. W. D. tolls and the depreciation in value of the buildings constructed for garages?

MR. G. NARAYANAN TAMPI (*a*) Yes ; if the yearly profit is not less than 7½% of the capital investment.

(*b*) 5%.

(*c*) The accounts have not been settled.

(*d*) The net profit is calculated with due regard to the depreciation on buildings, rolling stock, machinery and tools, furniture and interest on the capital invested. The Department pays P. W. D. tolls. Ground-rent is not charged as the cost of the land is being debited to the Department.

MR. KUNJUKRISHNAN : May I ask why the Government entered into this kind of arrangement?

MR. G. NARAYANAN TAMPI : In our advertisment for a suitable person to organise the State Transport Department, this additional inducement was also offered.

LIBRARY ARCHIVES Kerala Legislative Assembly

PRESIDENT: This offer of a small share in the net profits of this commercial enterprise is intended as an incentive for the officer in charge to run the department as an efficient and profitable commercial concern; that is what every civilised Government does when it starts commercial enterprises. Otherwise, these commercial departments also will begin to be run by the officer in charge just like every other Government department the officers going to the office precisely at 10·30 in the morning and leaving it exactly at 5 o'clock in the evening, disposing of as many files as possible during the interval, and disfiguring sheets of paper by staining them with ink, a process mostly unnecessary for a profit-making department. If, on the other hand the head of the department is told that he would get a share of the net profits, he would naturally have an incentive to see that it yields the maximum profits possible. That is why, as I said, civilised Governments which undertake such commercial ventures, proceed, to work them on commercial lines, if necessary by offering inducements in the shape of commission, or what in Government parlance may be called bribes That is why many Governments are chary of undertaking such commercial concerns; you do not know where commission stops and bribes start. In some cases, it is considered more advisable even to reduce the salary and to enhance the commission.

In the case of our Transport Department, after deducting depreciation on building, machinery and rolling-stock, and interest on capital, we get a net profit of seven-and-a-half per cent, while we are not able to get more than 3 1/2 or 3 per cent on money which we invest. 7 1/2 per cent on a commercial venture of this kind is a very big income. It is further proposed, later on to provide also for the maintenance of the roads and to deduct such provision also from the gross income, before calculating the net profit. In other words, in future, depreciation on buildings, machinery and rollingstock, interest on capital and also provision for the maintenance of roads, it is only after having made provision for all these items, that the net income will be calculated; and it will be only out of such net income that the Superintendent of Transport will get his small share. If he is able to make more profit, he will get more. Human nature being what it is, if you want to make your commercial venture yield more profit to you, it is a much better idea to give that inducement in the shape of commission. Half of the ill-success of the commercial ventures started not only by this Government but by most Governments is due to the fact that such commercial concerns also are run just like other Government departments.

In-patients in the District Hospital, Parur.

422. ✻**MR. KOTTALIL P. ABRAHAM** (*Mucattupuzha* cum *Devicolam*): Will the Government be pleased to state:

(*a*) the number of beds for in-patients provided in the District Hospital, Parur;

(*b*) the number of in-patients under treatment thereon on 24.11-1114;

LIBRARY ARCHIVES Kerala Legislative Assembly